



ANNUAL REPORT 2004 - 2005

BOARD OF DIRECTORS

NIKHIL MORSAWALA - *NON-EXECUTIVE CHAIRMAN*

VISPI DAMANIA - *NON-EXECUTIVE DIRECTOR*

VEENA MORSAWALA - *NON-EXECUTIVE DIRECTOR*

AUDITORS

PARIMAL BHOGALE

BANKERS

INDIAN BANK

UTI BANK LTD.

REGISTERED OFFICE

BLOCK NO.1, OFFICE NO. 2, NEW WORLD LABOR CAMP,

SASMIRA MARG, MUMBAI - 400 030

REGISTRARS & SHARE TRANSFER AGENTS

ADROIT CORPORATE SERVICES PVT. LTD.

19, JAFERBHOY INDUSTRIAL ESTATE, 1ST FLOOR,

MAKWANA ROAD, MAROL NAKA,

MUMBAI - 400 059

DIRECTORS' REPORT

The Members

Epic Energy Limited

Your Directors take pleasure in presenting to you the annual accounts and audit report for the year ended on 31st March, 2005.

FINANCIAL PERFORMANCE

	31 st March, 2005	31 st March 2004
	Rupees	Rupees
Gross Revenues	34,03,000	26,75,000
Gross Profit	15,17,350	3,17,830
Net Profit before Tax	15,17,350	3,17,830
Loss on Sale of Fixed Assets	0	29,80,000
Provision for Tax	1,14,000	24,000
Net Profit/(Loss) after Tax	14,03,350	(26,86,170)

PERFORMANCE REVIEW

The company's gross profit has improved to 15.17 lacs. Members must be aware that the Main Object Clause has been amended at the Extra Ordinary General Meeting of the company held on 3rd April, 2004. The name of the company has also been changed to Epic Energy Limited to reflect the new focus of the company. In keeping with the new focus of the company, your Directors are pleased to inform you that a small range of solar power products has been launched in Mumbai in June, 2005. These products comprise solar lamps, solar fans and solar home-lighting systems. Your company is also planning a major foray into Energy Audits and Energy Efficiency Solution. Technical Capabilities in these areas are being put into place.

FUTURE OUTLOOK

With the implementation of the Kyoto Protocol in February, 2005, by the United Nations, Renewable Energy Sources will be much in demand. As discussed above, the company is on course to establish itself as a key player in this segment of the Energy industry. Areas identified for future growth include Solar Power, Wind Energy and Energy Audits.. Your Directors are confident that in the given economic scenario, your company will become a significant player in its chosen field.

PRIVATE PLACEMENT OF SHARES AND WARRANTS

Your Directors have approved an investment of about Rs. 15 crores in various projects in the Non-Conventional Energy Sector over the next two years. To part fund the project, your Directors have approved the issue of 600, equity shares and 4,000,000 warrants to investors as per the SEBI guidelines. Details have been given in the Notice being circulated to all members. Your directors commend this resolution.

DIRECTORS

Mr Nikhil Morsawala retires by rotation and being eligible offers himself for re-appointment. Your Directors commend his reappointment.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The Company had no Foreign Exchange inflows or outflows during the year. Since the company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

1. In the preparation of the accounts, the applicable accounting standards have been followed.
2. Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made, so as to give a true and fair view of the state of affairs of the company as on 31st March, 2005, and for the profit of the company for the year ended on that date.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. The annual accounts of the company have been provided on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the listing agreement, the Management Discussion and Analysis Report forms a part of this report.

ACKNOWLEDGEMENTS

Your Directors wish to thank all its employees, bankers and customers who have played a key role in helping the company continue on its recovery path. And last but not the least the Directors wish to thank all the members who have shown utmost patience whilst reposing their full faith in the company.

FOR EPIC ENERGY LIMITED

NIKHIL MORSAWALA
DIRECTOR

Place: Mumbai

Date: 30TH JUNE, 2005

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The last one year has been a watershed year for Indian industry. The Sensex touched an all-time high and FII inflows reached dizzying peaks. Global interest in India is very high at the moment and its vast pool of manpower resources is proving to be a huge asset. The rupee also showed a robust upward trend and is going from strength to strength.

Industry Structure and Development

The implementation of the much delayed Kyoto Protocol will come as a shot in the arm for all companies operating in the Renewable Energy Sector. The Carbon credits available under the Clean Development Mechanism has made the commercial viability of this sector all the more attractive. Rapid strides are being made in newer areas like Bio-Fuels, Bio-Mass Energy and Waste-to-Energy. With the world's population laying more and more emphasis on environment friendly projects and the renewed focus on reducing greenhouse gas emissions, coupled with the depletion in the fossil fuel resources, Solar and Wind energy attract a lot of attention in the near future. Measures to improve Energy Efficiency will also gain momentum with the Government of India's decision to make Energy Audits compulsory from March 2007. There are very limited players in these segments due to high requirement of technical competencies.

Opportunities and Threats

The company is in active discussions to bring in the latest technologies in Solar Energy. It is also tying up with accredited companies for conducting Energy Audits and offering Energy Efficiency Solutions.

Segment Wise or Product wise performance

During the year under review, the company has earned its entire revenues from Corporate Advisory Services. With the shift in the business focus of the company, the current year will see the revenues being generated from the Energy initiatives of the company.

Outlook

As mentioned above, the outlook for the Renewable Energy Sector looks to be encouraging and your company hopes to take significant strides in the current year.

Risks and Concerns

The Renewable Energy Sector is highly technology intensive and the company must in the near term build in-house competencies to reduce its dependence on technology providers. Inventions and/or discoveries of new technologies and products may make the company's products obsolete. Therefore, the company will have to constantly evolve and upscale its Research and Development activities.

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Internal Control Systems and their Adequacy

The company, due to its small size and highly personalized service, is adequately controlled and monitored.

Discussion on financial performance with respect to operational performance

The company did reasonably well considering its decision to shift focus to newer areas. The coming years will comprise revenue streams from completely different business segments.

Material Developments in human resources/industrial relations front, including number of people employed

The company continues to keep its employees at a bare minimum and relies on its network of professionals to offer comprehensive services to its clients.

